

Amendments to the Specification:

Please amend the paragraph starting at page 6, line 27 and continuing to page 7, line 8 as follows:

Referring to FIG. 1, an example of a system for creating and pricing synthetic credit products in accordance with the invention is shown having the following three basic components. A Capacity Creation module 10 assesses the capacity of credit products so that the overall system can create and maintain a minimum level of default risk using a dynamic mix of hard and soft capital. A Historical Data submodule 11 analyzes default rates and loss severity, and a Current Trends submodule 12 analyzes portfolio mix and correlation risks. Their outputs are fed to a proprietary Capital Simulation Models submodule 13, which employs one or more financial simulation models to determine corresponding risk ratings as used by established rating agencies, e.g., S&P AAA rating ~~15~~ 14 or Moody's Aaa AAA rating ~~16~~ 15. The rated capital capacities are fed to a financial intermediary ~~17~~ 16 which manages the capacity of its portfolio ~~15~~ 17 of credit products.

Please amend the paragraph at page 17, lines 9-19 as follows:

This ~~is~~ is an enterprise-wide integrated computer system for storing, processing, and reporting pricing information regarding a plurality of credit risk transfer products, including a pricing function for pricing and re-pricing products in response to market price changes. Pricing and re-pricing are accomplished on a product-by-product basis. The method is applied in a computer system, accessible by a customer's computer over the Internet for ordering credit risk transfer products, and includes a product information unit, a purchase transaction information entry and verification unit; a transaction

information storage unit, a transaction code generator, a purchase order generator, a transaction code interpreter and payment processor, and a product purchase control unit. The product information is accessed by the customer's computer to enable the customer to view the product information. A variety of security functions provide different levels of access to the services for different customers.